

CHICAGO—Today, Congressman Mike Quigley (D-IL) issued the following statement after the Federal Reserve announced it will prohibit banks from charging overdraft fees on ATM and debit card transactions without a customer's permission.

"The financial misfortune of the past year has taught Washington a valuable lesson, that we must do a better job protecting consumers. As we continue to recover from the irresponsibility, greed and opaque practices of Wall Street, reforming overdraft fees further shifts the balance of power away from banks and back to Main Street.

Fifth district residents have come to me with horror stories of hundreds of dollars in overdraft fees on even just a small purchase. One college student incurred \$600 in fees when she over-drafted her account by only \$70. This common-sense rule will provide both a better understanding of the terms and conditions that apply to debit cards and the freedom to avoid future penalties.

The Federal Reserve delivered a much-needed dose of transparency for the banking industry today, and reinforced its commitment to the economic recovery of those who need it most."

Under the new rule, banks will be required to notify new and existing customers of their overdraft services and offer them the option of being covered in the event of an overdraft. If customers don't choose to "opt-in," ATM or debit card transactions that overdraw their accounts will be denied. Unless customers give explicit consent, they will not be allowed to take out more money than is in an account.

Overdraft charges have risen to an average of \$35 dollars and each year banks earn more than \$25 billion on overdraft fees. The Federal Reserve's new rule will take effect July 1, 2010.